

03-176

The Secretary of State presents his compliments to their Excellencies, Messieurs and Mesdames the Chiefs of Mission and has the honor to reiterate the policies and procedures governing the qualification for duty-free status of: shipments of articles intended for exhibition by a foreign mission or international organization. This Note supercedes the guidance in State's Diplomatic Note 87-328, dated June 3, 1987.

For the purposes of this diplomatic Note only, an "exhibition" is defined as the public display by a foreign mission or international organization of an assemblage of artifacts, items, or materials for the purpose of acquainting residents of the United States with the history, art, culture, or products of a particular country, or with some aspect of the work, goals or achievements of an international organization. An exhibition can have no commercial purpose and none of the articles imported can be offered for sale or later sold while in the United States.

DIPLOMATIC NOTE

For the purposes of this Note only, the term "international organization" is defined as any association of nations of which the United States Government is a member or which has otherwise been granted privileges and immunities under the International Organization Immunities Act, 22 USC 2:88 et seq.

Articles imported for exhibitions will usually be granted Customs duty-free entry as a matter of international courtesy. It is preferable that exhibitions be held on the premises of the foreign mission or international organization. However, if an exhibition is to be held in a commercial establishment such as a department store, hotel, art gallery, or bank, any articles imported for the exhibition may still qualify for duty-free entry if the mission or international organization certifies the following in its application:

1. That neither the commercial establishment on whose premises the event will be taking place, nor the sponsoring foreign mission or organization will charge admission beyond a nominal fee to cover overhead costs; and
2. That neither the sponsoring foreign mission or organization, nor any private commercial entity participating in it, will offer anything for sale at the event.

Any imported articles that are intended for subsequent sale, or for other commercial use such as display at another trade fair or exhibit in the United States, will be subject to the applicable

Customs duty, even if such articles are the property of a foreign government.

Private, non-profit institutions such as cultural associations or museums that bring articles into the United States under the sponsorship of a foreign mission or international organization, for display for fund-raising purposes, can submit, through their sponsor, an application for duty-free entry of the exhibition items. However, a final determination regarding duty-free qualification can only be made at the time of application and will depend in large measure upon the nature of the exhibition. Among other things, the sponsoring foreign mission or international organization would be required to provide the two certifications enumerated above.

When submitting a duty-free entry request, all applicants must use the form DS-1504, "Request for Customs Clearance of Merchandise." The form must be typewritten or produced using an electronic format. If necessary, additional copies of form 1504 may be used as continuation sheets.

Missions and organizations should carefully note that some of the information required on an application for duty-free entry of exhibition materials is different from that required for other types of diplomatic shipments. The guidance in the following numbered paragraphs clarifies the information required on an application for the entry of exhibition materials.

General instructions for completing form 1504 are provided in State's Diplomatic Note 02-281, dated January 1, 2003 and also appear in the "Foreign Diplomatic and Career Consular Personnel in the United States: Guidance for Administrative Officers", (Department of State, 1998) section 5, pages 5-8 - 5-9. The following information must be provided on form 1504:

1. A full description of the items in the shipment.
2. A statement as to whether or not any printed matter, either imported or produced locally, will be distributed to attendees. If printed matter will be distributed, then the application must include an explanation of what that printed matter will be. If any flyers, handouts, or programs have been printed in advance specifically for the exhibition, a sample of each should be attached to the application form.
3. A brief statement regarding the ownership of the materials being imported.
4. A statement of the purpose of the exhibition.
5. The name of the sponsor of the exhibition. If additional parties are co-sponsors their names, either personal or corporate, and addresses must also be listed.
6. The planned date(s) and location of the exhibition. If the exhibition will not be held on the premises of the foreign mission or international organization, then the application package should include a copy of the contract, lease

agreement or other arrangement for use of the outside, private property.

7. A statement regarding the intended patronage. If the exhibition will not be open to the general public, then the limitations on attendees must be explained.
8. If there is to be an admission fee, then the amount to be charged and the reason for it must be stated.
9. A statement of the planned disposition of the duty-free exhibit items after the exhibit's conclusion. If the items are to be re-exported, the anticipated date of departure must be stated.
10. The mission or organization must provide written certification that no duty-free exhibition items will be sold or given away, and that no sales orders will be taken.
Note: items imported duty-free for an exhibition may not afterwards be donated to any person or organization in the United States, including charities, unless the applicable Customs duty is paid.
11. A copy of the Airway Bill (if the shipment arrives by air) or the Bill of Lading (if the shipment arrives by sea) must be attached to the DS-1504 application.

If the duty-free entry of exhibition materials is denied, it is suggested that the importing mission or organization promptly pay the appropriate duties in order to avoid, insofar as possible,

the accumulation of storage fees. Normally, the Bureau of Customs and Border Protection office that is closest to the location of the shipment will be the office controlling the shipment's entry.

The Office of Foreign Missions has noted that the most frequent reason for rejection of applications for duty-free entry of exhibition materials is incomplete information on the application form. Therefore, it is strongly suggested that foreign missions or international organizations planning to import articles for an exhibition discuss those plans, in advance, with the Customs Liaison unit in the Office of Foreign Missions by calling 202 895-3500.



Department of State,

Washington,

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